



Gray Davis
Governor

California Workforce Investment Board Performance Based Accountability Committee Agenda Packet



Thursday
May 29, 2003
10:00 a.m. – 1:00 p.m.

City Council Chambers
730 I Street, First Floor
Sacramento, California



Lawrence Gottlieb
Chairman

Christine Essel
Vice Chair

CALIFORNIA WORKFORCE INVESTMENT BOARD Performance Based Accountability Committee

MEETING NOTICE

**City Council Chambers
730 I Street, First Floor
Sacramento, CA 95814**

**May 29, 2003
10:00 a.m. – 1:00 p.m.**



Gray Davis
Governor

Andrew R. Baron
Executive Director

Stated time of meeting conclusion is approximate; meeting may end earlier or later
subject to completion of agenda items and/or approved motion to adjourn.

AGENDA

- 1. Welcome and Opening Remarks**
- 2. Approval of the October 8, 2002 Performance Based Accountability (PBA) Meeting Minutes**
- 3. Consideration and Approval of Workforce Investment Act (WIA) Title I Negotiated State Performance Goals for Program Year 2003/04 and Program Year 2004/05**
- 4. Discussion of WIA Reauthorization & Common Performance Measures**
- 5. Approval of the Fourth Annual PBA Report**
- 6. Update on the PBA System Redesign**
- 7. Discussion of the California Workforce Investment Board Strategic Plan**
- 8. Any Further Business that May Come Before the Committee**

In order for the Committee to provide an opportunity for interested parties to speak at the public meeting, public comment may be limited. Written comments provided to the Performance Based Accountability Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

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<http://www.calwia.org>

Welcome and Opening Remarks

- **Victor Franco, Chair**

**Approval of the October 8, 2002 Performance Based
Accountability (PBA) Meeting Minutes**

**CALIFORNIA WORKFORCE INVESTMENT BOARD
PERFORMANCE BASED ACCOUNTABILITY COMMITTEE
October 8, 2002**

MEETING SUMMARY

On October 8, 2002, the Performance Based Accountability Committee of the California Workforce Investment Board (State Board) convened at the Hilton Hotel in Pasadena. The following members and staff were in attendance:

COMMITTEE MEMBERS

Victor Franco, Committee Chair
Sue Carey, Department of Rehabilitation
Michael Krisman, Employment Development Department
Charr Lee Metsker, Department of Social Services
Dean Smith, California Community Colleges
Al Tweltridge, Department of Education

STAFF

Paul Gussman, Deputy Director
Deb Cusimano
Megan Juring
Beverly Odom
Windie Scott, Legal Counsel
Pat Sherard
Kenneth Smith

Welcome and Opening Remarks

Committee Chair Victor Franco welcomed Committee members, staff, and guests. He stated that since the last meeting of the Performance-Based Accountability (PBA) Committee, the State Board adopted a strategic plan. Mr. Franco announced he was championing the fourth goal of the strategic plan, relating to quality of practice and performance of the overall workforce system. He invited Deputy Director Paul Gussman to elaborate on the State Board's strategic plan.

Deputy Director Paul Gussman stated the strategic planning process resulted in six strategic goals, with specific State Board members designated to champion each one. He explained that the six goals pertain to information, partnership, innovation, performance, administrative excellence, youth leadership and he gave a brief description of the intent behind each goal.

Mr. Gussman provided an update on the new Labor and Workforce Development Agency. He noted the Agency combines the Department of Industrial Relations, the Employment Development Department, the Agricultural Labor Relations Board, and the California Workforce Investment Board under one umbrella, and he expressed his excitement at the prospect of bringing these key players in labor and workforce development together. He noted a strategic planning session was held recently to discuss the Agency's mission and goals, and accountability

is a key emphasis. He added the new Agency provides California with a unique opportunity to improve the entire workforce system.

Mr. Franco asked audience members to indicate if they represented local one-stop centers, training providers, and local workforce investment boards. He encouraged interested parties to ask questions, make comments, and provide input on specific agenda items as they are addressed.

Approval of April 25, 2002 PBA Meeting Minutes

Mr. Franco drew attention to the minutes of the April 25 meeting and welcomed comments from Committee members.

Ms. Sue Carey drew attention to the fifth paragraph on page 5 and asked that the first sentence be deleted. Mr. Gussman clarified that the concern has to do with the definition of “entitlement.” He added that the Department of Rehabilitation affirmed its commitment to inclusion.

On page 4, second full paragraph, Mr. Dean Smith noted the reference to AB 2586 should be changed to AB 2386.

Ms. Charr Lee Metsker observed that the first statement in that same paragraph was incorrect. She clarified that local welfare departments use the self-sufficiency standard, but not to determine eligibility. She recommended changing the statement to indicate the standard is used in local welfare departments for welfare-to-work purposes. Mr. Franco proposed deleting the words “to determine eligibility criteria,” and Ms. Metsker agreed with his suggestion.

A motion was made and seconded to approve the April 25 minutes as amended, and the motion was carried unanimously.

Central Valley Universal Service Tracking Pilot

Mr. Franco invited Ms. Kathy Johnson, Tulare County Workforce Investment Board, to make a presentation on the tracking system pilot project underway in the Central Valley. He noted the pilot project was developed in response to some of the issues raised during Workforce Investment Act (WIA) budget hearings and reauthorization. He introduced Ms. Johnson and Mr. John Delmatier from Proteus. Ms. Johnson also introduced Ms. Patty Alfin from the Tulare County Data Processing Department.

Ms. Johnson stated that the California Workforce Association (CWA) Central Valley Regional One-Stop Community has been meeting for a couple years to develop a program for tracking One-Stop performance throughout the entire system. The pilot project began in response to the widespread misperception that California’s One-Stop system is not working well. Ms. Johnson indicated that only about one third of the individuals being served by Central Valley One-Stops are accounted for in a database system using current Job Training Partnership Act measurements. Although universal access is a goal of the WIA, there is no tracking method for this holistic approach.

Ms. Johnson stated the U.S. Department of Labor, through CWA, has agreed to provide \$10,000 to assist in developing the tracking system. She noted as a basis for this effort, the Central Valley Regional One-Stop Community evaluated current strengths and weaknesses and identified action steps to achieve an overall system wide data-tracking system.

Ms. Johnson noted the Central Valley Regional One-Stop Community established seven work groups to focus on marketing, communications, planning, staff development, practitioners, system operations, and quality assurance. She estimated it will take until August, 2003, to implement the new data tracking system. She stated the local partners will be developing a concept paper describing their plans and future direction for the data-tracking pilot project.

Mr. Delmatier stated that Proteus is working with the Central Valley Regional One-Stop Community to develop a system that tracks performance for both WIA and non-WIA One-Stop customers across multiple agencies. He noted participating partners have agreed to use the federal Workforce Investment Act Standardized Record Data (WIASRD) record-keeping format as a basis for the new tracking system. A separate, independent database will be established to collect information and share data from farm worker programs, community colleges, local workforce investment boards, and other partners.

Mr. Franco thanked Ms. Johnson and Mr. Delmatier for their presentation. He asked if there are existing systems in California or other states that can be used as a model for the new system.

Mr. Delmatier emphasized that the data-tracking system is a procedure rather than a software product. He indicated the key element of the pilot project is creation of a common clearinghouse for submitting and sharing information. Each participating agency will be responsible for creating and submitting records compatible with the WIASRD format.

Ms. Alfin stated that when Tulare County attempted to encourage participating agencies to use the same software, some partners reported incompatibility problems with their present systems.

Mr. Delmatier added that the pilot project will not change any of the local reporting requirements or systems; he clarified the purpose of the project is to find a way of communicating among existing systems rather than requiring them to adopt a uniform software program.

Mr. Franco commented that marketing and communications with participating agencies will be a key to the project's success. Mr. Delmatier agreed. He stated that some agencies will need to spend money to program their existing systems to send data in the WIASRD format.

Mr. Gussman commented that there are different systems available for providing and sharing data. He noted that part of the maturation process of the system entails building trust among the partner agencies. He suggested the PBA Committee might want to take a look at some of the existing systems.

Mr. Franco asked how the system will work in terms of collecting information on services provided by different agencies. Mr. Delmatier gave the example of a farm worker enrolled in a Proteus program. He explained that the worker could be co-enrolled in the Tulare WIA system

for intensive ESL and remedial education. Eventually, that person could also receive vocational training from a community college. Upon enrollment, Mr. Delmatier stated that Proteus would create a WIASRD record upon enrollment, and other participating agencies would do the same. He noted all those records would be linked in a common database, and a complete record of all services provided would be available through that tracking system. Ms. Alfin added that in addition to the services provided, the system will also track impacts like program completion and job placement.

Mr. Dean Smith asked if the pilot project involves partners beyond Tulare County. Ms. Johnson responded that the project covers a total of nine counties from San Joaquin to San Luis Obispo. She stressed the importance of marketing the benefits of participation as a way of ensuring the commitment of the partners. She noted the system will give those partners a tool to better track their own performance. Mr. Delmatier added that partners will have access to the entire range of services provided by all collaborating agencies, so they can report those results back through their own reporting systems.

Mr. Franco observed that the new system would benefit all participants in terms of meeting their own objectives and missions.

Mr. Al Tweltridge asked if Regional Occupational Programs (ROP) and adult schools were participating in the pilot project. Ms. Johnson responded that these local educational institutions are partners. Mr. Tweltridge observed that not all educational agencies use Social Security numbers as identifiers. Mr. Delmatier stated that all data issues have not yet been resolved, but each partner has committed to work with the new system. Ms. Alfin added that the system will be designed to meet the requirements of all participants; she noted communication with the end users is a critical component.

Mr. Franco welcomed comments from members of the public.

Mr. Tim Giles, Fresno Area Workforce Investment Corporation, expressed support for the pilot project. He noted that since WIA was enacted, the Fresno Area Workforce Investment Corporation has been looking for ways to measure performance for all partners, not just the WIA portion. He stated that local input in the database development would give the Central Valley as a whole a better idea of overall performance results.

Mr. Franco thanked Ms. Johnson, Mr. Delmatier, and Ms. Alfin for their presentation. He invited them to come back with an update on their progress at a future meeting.

Mr. Gussman noted that in a previous presentation, Mr. John Chamberlain, WIA Independent Consultant from Oregon, stated that there is currently no measurement system in the country for universal access. Although most One-Stop systems are making heroic efforts to promote universal access, the system is unable to keep up with the number of people trying to access services.

Mr. Gussman noted Proteus has a new mobile One-Stop van that is quite impressive, and he encouraged interested people to contact Mr. Delmatier for a tour if they have an opportunity.

Performance-Based Accountability (PBA) Standards

Mr. Franco noted that at the last meeting, the PBA Committee discussed criteria and methodologies for use in establishing PBA standards. Committee members requested additional information on the use of self-sufficiency standards in other states and in California. Members also requested clarification of the PBA Committee's authority to adopt standards for the PBA system. Mr. Franco invited Ms. Windie Scott, State Board legal counsel, to discuss the question of the PBA Committee's authority. He stated that Dr. Dan Blake would then make a presentation on his study of benchmarks and earnings measures for the PBA system.

Ms. Scott stated that authority for the State Board is not precisely stated in statute, but Unemployment Insurance Code Section 150371 states the intent of developing an infrastructure to measure the effectiveness of California's workforce preparation system. That law gave the State Job Training Coordinating Council (SJTCC) responsibility to implement a system to compile, maintain, and disseminate information on the overall workforce preparation system. Ms. Scott noted the SJTCC formed the Performance-Based Accountability Committee to design the system and to provide oversight to the implementation of the law. She read excerpts of the statute indicating the State Council should develop objective performance standards emphasizing the principles of continuous improvement and a system of sanctions and incentives to encourage performance. Ms. Scott stated that Executive Order D-9-99, signed by the Governor in October of 1999, then transferred authority from the SJTCC to the California Workforce Investment Board. She read excerpts from Item 7 of the executive order giving the State Board authority to establish advisory or ad hoc committees as needed to carry out the statutory responsibilities and duties formerly exercised by the SJTCC. Ms. Scott concluded that the PBA Committee's authority to adopt standards comes from a combination of the executive order and the statute.

Mr. Michael Krisman clarified there was no state statute establishing the California Workforce Investment Board as an entity with authority to issue regulations. He questioned whether the Governor had the authority to establish an entity with authority to issue regulations. Ms. Scott stated her analysis did not address regulations. She noted the executive order she cited gives the State Board a broad range of authority, ranging from contract authority to the ability to issue business cards. Mr. Krisman asked if the PBA Committee could adopt standards that have the force of law or whether the Committee would recommend that the State Board adopt those standards. Ms. Scott explained that the PBA Committee is clearly a function of the State Board, with the ability to develop standards on behalf of the State Board. She added that the State Board would ultimately ratify the standards developed by the Committee.

Ms. Megan Juring stated that in response to the Committee's requests at the last meeting, the staff conducted further research on benchmarks and earnings measures used in California and in other states. She referred to the information in the meeting packet for more details. Ms. Juring noted the staff has continuing dialogue with community-based partners, and the next step after this meeting would be to move forward with public hearings.

Ms. Juring stated the current PBA data collection system is well positioned to describe outcomes of participants relative to local median wages, so the aggregate participant outcomes in a local area can be compared against median wages in that local area or against the general population.

In that sense, she noted, the data can be used to assess effectiveness in meeting employers' needs.

She invited Ms. Amy Durfee, of the National Economic Development and Law Center, to address the Committee after the presentation to discuss how clients' needs are being met. Ms. Juring stated that most of the PBA system data focuses on a slice of the overall system in terms of employment outcomes, unemployment insurance, and reliance on welfare and other public assistance programs. She added that during the public hearings, the PBA Committee should ask what other pieces would be necessary to present a complete picture.

Ms. Juring invited Dr. Blake to discuss his work on earnings measures and benchmarks.

Dr. Blake, Professor of Economics and Director, San Fernando Valley Economic Research Center, California State University Northridge, reported on the study he conducted with Dr. Richard Moore of benchmarks and earnings measures. He explained that measurement is an essential element of evaluating the effectiveness of any program. In looking at the effectiveness of workforce preparation programs, he noted, there are multiple measuring systems because individual programs have a wide range of objectives, depending on the populations they serve. For example, he stated, the Employment Training Panel focuses on retraining workers, so measurements of success may include improved retention, increased productivity, and higher earnings. On the other hand, many rehabilitation programs have a primary goal of simply placing participants in jobs, so successful placement would be an appropriate measure of their success. Community college programs are usually designed to move high school students into more productive roles in the economy, so it might be appropriate to look at whether participants move from part-time to full-time jobs.

Dr. Blake stated that in their study, he and Dr. Moore were most interested in finding a simple performance measurement system that would apply to all types of programs operating within the PBA system. Using this report card as a first step, legislators could then look at particular programs, taking into account their specific goals and the populations they serve. Because there is considerable variation among different regions in California, the objectives of the study were to identify benchmarks that account for regional differences, evaluate the usefulness of different benchmarks, and to recommend an appropriate standard for California.

Dr. Blake stated he and Dr. Moore reviewed available documents on earnings and poverty measures, interviewed WIA officials in other states about their benchmarks, looked at earnings and cost-of-living data from California, and considered benchmarks used by local WIA areas.

Dr. Blake noted the study identified four alternative types of benchmarks for the Committee's consideration: 1) the current benchmarks, which are based on the manufacturing wage, minimum wage, and poverty line for households of one and three persons; 2) a self-sufficiency standard for California; 3) an adjusted poverty line; and 4) EDD's "Occupational Employment and Wage Data." He explained the four benchmarks and discussed the strengths and limitations of each approach. He noted the PBA Committee could choose a combination of methods, but he recommended choosing Option 4, use of EDD's "Occupational Employment and Wage Data," based on regional 25th and 50th percentile bands as a benchmark.

Dr. Blake stated that Option 4 reflects costs of living and takes regional differences into account. He said that if the PBA Committee selects this option, geographical identifiers would need to be developed for each participant.

Dr. Blake recommended that the PBA Committee develop a detailed proposal for the logistics of developing a regional identifier and adding a regional earnings benchmark to reports. He noted part of this would entail defining regions that make up logical labor market areas in California. Dr. Blake presented a chart showing how Option 4 would translate into income levels for various counties in California, and he compared those results with results using other benchmarks.

Mr. Franco noted some regions in California have higher incomes due to growth in certain employment sectors, but that growth has not necessarily filtered down to entry-level jobs. He cited high-tech industries in San Francisco and the Silicon Valley as an example. Mr. Franco noted the high incomes in those industries could affect the poverty lines for those regions, and he asked how that effect could be taken into account. Dr. Blake stated that use of a median benchmark, such as Option 4, would tend to focus on middle-range jobs rather than those with extremely high pay. He added that the wage distribution is actually determined by people leaving the area due to high costs of living, so there is an automatic compensation for differential costs of living.

Mr. Franco welcomed comments from audience members.

Mr. John Delmatier, Proteus, emphasized the need to have data relevant to the private-sector economy. He noted the Economic Strategy Panel, through a number of studies regarding the private sector in California, has identified nine regions in the state. He suggested using those same nine regions in establishing benchmarks and displaying data.

Ms. Amy Durfee, National Economic Development and Law Center, thanked the PBA Committee for addressing this topic. She noted Tse Ming Tam, from her organization, and Ms. Jean Ross, California Budget Project, provided testimony at the last meeting regarding the self-sufficiency standard. Ms. Durfee explained that the National Economic Development and Law Center calculates a basic needs budget for California premised on the self-sufficiency standard. She noted the workforce development system should have a way of integrating the idea of economic self-sufficiency into its programs so that the statewide system can support communities, employers, and employees.

Ms. Durfee stated that the self-sufficiency standard is a calculation of very basic needs for a variety of family types. She noted self-sufficiency as a standard improves quality of life and employee retention. She advocated increasing earnings, decreasing out-of-pocket expenses by increasing access to benefits, and building assets to move families toward economic self-sufficiency.

Ms. Durfee referred to the letter from Tse Ming Tam elaborating on use of the self-sufficiency standard. She stated the Workforce Development Council of Seattle-Kings County in Washington State has not only adopted the self-sufficiency standard, but is currently in the

process of designing an evaluation tool based on this standard. That group is attempting to collect data on a wider range of family types. In addition, she noted, workforce investment boards in Chicago, the District of Columbia, Philadelphia, Pasadena, and Santa Cruz have adopted the self-sufficiency standard. The California Department of Social Services issued an all-county letter last December to educate county welfare departments about the self-sufficiency standard, and some of them have started to use it. Ms. Durfee reported that the Working for America Institute has recommended that workforce investment boards adopt the self-sufficiency standard to determine eligibility and as an evaluation and benchmarking tool.

Ms. Durfee noted that although the self-sufficiency standard looks at individuals rather than family types, it can be used on a macro level as well. In addition to looking at median wages, she proposed considering the progress individuals make towards the self-sufficiency standard that applies to them. If the PBA Committee chooses to adopt the benchmark recommended by Dr. Blake and Dr. Moore, she recommended creating incentives for moving people beyond the 25th and 50th percentile band. Ms. Durfee also suggested clarifying the connection between wage data and cost of living. She noted that while some salaried jobs have a built-in cost-of-living adjustment, this factor does not apply to minimum wage and low-wage jobs. She also pointed out that the relationship between wages and costs varies depending on geographic area.

To address the question of whether the figures in the self-sufficiency standard are too high or too low, Ms. Durfee explained that the data is based on available information, most of which is calculated by the State of California, and the numbers generally come from real-world data.

Ms. Durfee encouraged the PBA Committee to engage in public hearings to consider the benchmark options and/or to conduct pilot studies using a number of benchmarks. She recommended looking at ways of integrating various benchmarks to take advantage of the benefits from each system.

Dr. Blake observed that if the PBA uses a benchmark based on success or progress, the differences in each program and each individual's objectives would need to be taken into account. He noted it would be difficult to evaluate overall system performance on that kind of subjective basis. Instead, he said, the PBA Committee needs to find a way of comparing all programs in the state while recognizing geographical variations.

Ms. Karen Humphrey, California Department of Education, commented that PBA goes beyond looking at whether individual programs are succeeding in delivering program services; instead, there should be a larger focus on the value and effectiveness of the system as a whole. Ms. Humphrey stated that the Department of Education has not looked at using the self-sufficiency standard, but the issue has been raised in discussions with some of the department's partners. She expressed her hope that use of the self-sufficiency standard should become a piece of the discussion in moving toward the larger goal of improving the quality of life for Californians. Ms. Humphrey agreed with Ms. Durfee that wage data alone does not necessarily address significant gender and racial disparities that arise from job segregation, nor does wage data help the system identify areas needing improvement. She advocated use of the self-sufficiency standard as one tool in shaping a system that results in a better quality of life for all participants in the system.

Ms. Betty Ann Jansen, Executive Director, Women at Work, Pasadena, noted people in southern California are unable to get to work without cars because public transportation is not a realistic option in many areas. She stated that her organization uses the self-sufficiency standard in many ways and finds it quite helpful. Ms. Jansen noted that in particular, the self-sufficiency standard could help WIBs think about training that might be needed in order to better serve populations with large families.

Mr. Krisman asked how Pasadena and other areas are using the self-sufficiency standards. He also welcomed comments from Ms. Metsker about how the Department of Social Services uses self-sufficiency standards. Mr. Krisman noted it would be helpful to clarify whether the state would be mandating standards to locals or whether locals can choose standards for themselves. He also emphasized the distinction between the state's Performance-Based Accountability system and WIA performance measures.

Ms. Durfee observed that the questions raised by Mr. Krisman were important and should be addressed in a public hearing setting. In terms of how the self-sufficiency standard is being used, she explained that WIA requires local boards to adopt self-sufficiency measures for eligibility for intensive services. She stated that many local WIBs in California use the Lower Living Standard Income Level for that purpose, but others use the self-sufficiency standard. She added that the Seattle-Kings County Workforce Investment Council is developing a program using the self-sufficiency standard to measure program outcomes.

Ms. Metsker clarified that the Department of Social Services chose not to adopt the self-sufficiency standard but opted to provide it as a tool to counties in efforts to move families from welfare to work. She added the self-sufficiency standard is one of many tools, but it is not an adopted statewide standard. Ms. Metsker recommended using benchmarks that measure progress with multiple standards rather than a single standard for the entire system.

Mr. Franco thanked the presenters and the audience members who made comments on this topic. He stated that he would like to obtain more information about Seattle and some of the other programs mentioned by Ms. Durfee. He noted the process of developing appropriate standards for California will be a collaborative effort, and he expressed his appreciation for the input provided so far.

He asked if the staff needed further guidance from the Committee as to the next steps in the process. Ms. Juring offered to come back after the lunch break with a summary of key points and a request for specific Committee guidance regarding the next steps.

Mr. Franco proposed continuing the discussion of PBA standards to the next meeting to allow an opportunity to gather more information. Other Committee members agreed.

Mr. Franco commended Women at Work for their innovative and creative programs to put women into the workforce and keep families intact. He noted their success record has been quite impressive, and he welcomed their continued participation in these discussions.

Lunch Program - Southern California Regional Performance Excellence Forum

Mr. Gary Flaxman, Long Beach Workforce Development Bureau, and Ms. Julie Elizondo, Orange County Workforce Investment Board, made a presentation about the Southern California Regional Performance Excellence Forum (SCRPEF). They explained that SCRPEF, an organization established by quality coordinators from local WIBs in southern California, is a performance excellence collaboration open to all federal, state, and local workforce development professionals. SCRPEF was established to enhance sharing of performance excellence strategies and best practices, build capacity, and provide resources to assist California's local workforce investment areas in implementing performance excellence strategies.

Mr. Flaxman reviewed SCRPEF's four strategic goals, described SCRPEF's vision statement and mission, reviewed the organization's accomplishments, and discussed future plans. Mr. Flaxman stated that the next quarterly forum will be held on November 6, and he invited interested people to contact him for further information.

Fourth Annual PBA Report Status

Ms. Pat Sherard introduced Dr. Cheryl Stecher, Franklin Hill Group, the consultant responsible for writing the Fourth Annual PBA Report.

Ms. Sherard noted that at the last meeting, the staff provided an update on improvements to the Fourth Annual Report. She stated that the Fourth Annual Report will be a tiered report, with an executive summary, an overview, standard tables, and customized program chapters. Ms. Sherard displayed sample charts depicting PBA program participants eligible for CalWORKs assistance by program, first-year employment rates, first-year earnings, changes in UI status, and changes in CalWORKs status. She described each chart, and Ms. Sherard and Dr. Stecher answered questions from Committee members. Mr. Gussman emphasized that the data shown in the charts is for sample purposes only; he clarified the purpose of the charts was to show the proposed format, not the results.

Mr. Franco observed that in the previous discussion about PBA standards and the self-sufficiency standard, one point that emerged was that failure should not be defined as a failure to meet self-sufficiency standards; instead, he noted, success can be viewed in terms of movement towards an objective. Mr. Gussman commented that the State Board also looks at value added and return on value as indications of success.

Mr. Krisman asked about the timetable for moving forward with the PBA standards. Mr. Franco welcomed direction from the Committee. He suggested that the staff bring recommendations to the Committee at the next meeting.

One of the Committee members asked whether the final report would include data on participants' gender, educational levels, and language proficiency. Dr. Stecher responded that the PBA report would provide data on each variable reported by programs. She said English language proficiency is one variable, but not all programs report that data. She added that gender and ethnicity are standard variables that all programs report.

New PBA System Progress Report

Mr. Ken Smith noted the redesign of the existing PBA system has been delayed because of new legislation and the late approval of the budget. However, he stated that the technical work team reviewed responses from eleven qualified vendors, and preparation of a request for proposals (RFP) is underway. He drew attention to the written report in the meeting packet for more details.

Mr. Franco asked how the Committee could facilitate the process. Mr. Ken Smith responded that the support of the technical work team members and PBA Committee is helpful. He stated that he would be scheduling weekly meetings with the technical work team.

Further Business

There were no items of further business addressed by the Committee.

Next Meeting

Mr. Franco suggested meeting sometime in early January to continue discussion of PBA standards. He asked the staff to look at some of the issues that surfaced in this meeting and the April meeting and to come back with some recommendations in terms of timelines and completion dates.

Adjournment

Mr. Franco thanked Committee members, staff, and audience members for their participation. There being no further business, he adjourned the meeting.

**Consideration and Approval of Workforce Investment Act (WIA)
Title I Negotiated State Performance Goals for Program Year
2003/04 and Program Year 2004/05**

**Consideration and Approval of Workforce Investment Act (WIA)
Title I Negotiated State Performance Goals for
Program Year 2003-04 and Program Year 2004-05**

The WIA Title IB, Section 136, Performance Accountability System, establishes a performance accountability system to assess the effectiveness of States and local areas in achieving continuous improvement of workforce investment activities funded under this subtitle.

In June 2000, California's performance levels for WIA Title IB for Programs Years 2000-01, 2001-02 and 2002-03 were reviewed by the State Board's Performance Based Accountability (PBA) Committee and forwarded to the federal Department of Labor.

Recently, the Employment Development Department (EDD) provided State Board staff with performance goals for Program Years 2003-04 and 2004-05, which were negotiated with DOL. A brief overview of the methods used to develop the State level performance goals will be provided. The attachment outlines the goals negotiated for each of the performance measures.

Recommendation

The PBA Committee consider the inclusion of the WIA Title I Negotiated State Performance Goals for PY 03-04 and PY 04-05 as a modification to the Strategic Five-Year Plan.

Performance Measure	PY 2001/02 Performance		PY 2002/03 Performance		State Proposal		Negotiated Agreement	
	Actual	Goal	Actual	Goal	PY 2003/04	PY2004/05	PY 2003/04	PY 2004/05
					Goal	Goal	Goal	Goal
<u>Adult Program</u>								
Entered Employment	77%	68%	68% ^{*1}	70%	71%	71.5%	72%	72%
Retention	82%	76%	82% ^{*2}	78%	80%	80.5%	81%	82%
Wage Gain	\$3,419	\$3,600	2926 ^{*2}	\$3,400^{*3}	\$3,400	\$3,450	\$3,400	\$3,450
Employment and Credential	54%	50%	50% ^{*1}	50%^{*3}	50%	55%	50%	55%
<u>Dislocated Workers</u>								
<i>Entered Employment</i>	83%	69%	79% ^{*1}	70%	78%	78.5%	79%	79.5%
<i>Retention</i>	88%	83%	88% ^{*2}	85%	87%	87.5%	88%	88%
<i>Wage Replacement</i>	104%	86%	100% ^{*2}	88%	95%	95.5%	96%	96%
<i>Employment and Credential</i>	58%	42%	61% ^{*1}	45%	55%	55.5%	58%	58%
<u>Older Youth</u>								
<i>Entered Employment</i>	71%	56%	67% ^{*1}	58%	65%	65.5%	66%	67%
<i>Retention</i>	79%	72%	78% ^{*2}	74%	75%	75.5%	76.5%	78%
<i>Wage Gain</i>	\$3,191	\$2,600	\$3,035 ^{*2}	\$2,700	\$2,900	\$2,950	\$3,000	\$3,000
<i>Employment and Credential</i>	27.1% ¹	42%	29% ^{*1}	25% (30%)^{*4}	25%	25.5%	30%	30%
<u>Younger Youth</u>								
<i>Skill Attainment</i>	74.1% ^{*5}	70%	68% ^{*1}	75%	76%	76.5%	76%	76.5%
<i>Diploma or Equivalent</i>	53%	42%	60% ^{*1}	45%	55%	55.5%	55%	55.5%
<i>Retention (Education, Military or Employment)</i>	53%	42%	53% ^{*2}	45%	50%	50.5%	53%	53.0%

Performance Measure	PY 2001/02 Performance		PY 2002/03 Performance		State Proposal		Negotiated Agreement	
	Actual	Goal	Actual	Goal	PY 2003/04	PY2004/05	PY 2003/04	PY 2004/05
					Goal	Goal	Goal	Goal
<i>Employer Customer Satisfaction (Index)</i>	76	65	79 ²	66	67	67.5	75	75
<i>Job Seeker Customer Satisfaction (Index)</i>	77	67	76 ²	68	69	69.5	75	75

¹Calculation is based on three quarters of data

²Calculation is based on one quarter of data

³The currently negotiated Adult Earning Gain goal is \$3700.
The Adult Credential Rate is negotiated at 60 percent. Agreement has not been reached with the Department of Labor on the changes we have proposed for these measures.

⁴The Department of Labor has agreed to a 30 percent Older Youth Credential Rate for Program Year 2002-03.

⁵This rate has been adjusted down from the level reported in the PY2001-02 Annual Report because the State identified an error in the calculation.

Discussion of WIA Reauthorization & Common Performance Measures

Update on WIA Reauthorization

The Workforce Investment Act (WIA) of 1998 requires that the WIA program be reauthorized after its first five years of operation. As a result, the House of Representatives introduced H.R. 1261 to reauthorize the WIA this year. H.R. 1261 contains numerous key amendments to the original act and was passed on the floor of the House by party-line vote on May 7, 2003. The Senate will introduce its own version of H.R. 1261 and intends to conduct hearings on it as early as the end of May.

The amendments to the WIA that are contained in H.R. 1261, as passed by the House, have been summarized by the National Association of State Workforce Agencies. A complete version of the bill can be accessed at the following internet link:
http://www.naswa.org/articles/template.cfm?results_art_filename=hr1261.htm
The Senate bill is expected to reflect essentially the same provisions.

The State Board has worked closely with the Labor and Workforce Development Agency, the Employment Development Department, and the California Workforce Association regarding progress of reauthorization and identifying critical issues for California. Because of interest in this area, the State Board will consider establishing a Task Force to analyze issues and coordinate activities related to WIA reauthorization at their May 21, 2003 meeting.

Common Performance Measures

On a parallel track with WIA reauthorization, the federal Office of Management and Budget (OMB) proposed a “simplified” set of performance measures to be collected in WIA and across a number of other federally funded programs, to replace the current set of 17 performance measures with a reduced, “simplified” set of eight measures – four for adult programs and four for youth programs. The four adult measures include: entry into unsubsidized employment; retention in employment; earnings received; and program efficiency. The four youth measures include: entry into employment, education, advanced training, or military service; attainment of secondary school diploma or GED; attainment of literacy or numeracy skills; and program efficiency. Attachment 1 is a matrix of the eight measures, along with their definitions, as currently included in HR 1261.

In March 2003, PBA and other CWIB staff provided comments on the proposed measures for consideration by the national team working on these measures. A copy of the CWIB staff comments are also included as Attachment 2.

COMMON MEASURES FOR JOB TRAINING

[As agreed to by OMB and pertinent federal agencies **]

Measures	Definition	Methodology	Data Set	Comment
		Adult Programs		
Entered Employment	Percentage employed in the 1 st quarter after program exit.	<p>Numerator: Of those who are not employed at registration, the number of adults who have entered employment by the end of the 1st quarter after exit. [1]</p> <p>Denominator: Of those who are not employed at registration, the number of adults who exit during the quarter. [2]</p>	Unemployment Insurance (UI) Wage Records	
Retention	Percentage of those employed in the 1 st quarter after program exit that were still employed in the 2 nd and 3 rd quarter after program exit.	<p>Numerator: Of those who are employed in the 1st quarter after exit, the number of adults who are employed in the 2nd and 3rd quarter after exit. [3]</p> <p>Denominator: Those who are employed in the 1st quarter after exit. [4]</p>	UI Wage Records	All agencies will move toward using UI Wage Records. However, agencies currently using survey data will measure retention at the 1st and 3rd quarters only until they adopt UI wage records as their data set.
Earnings Increase	Percentage change in earnings: (i) pre-registration to post-program; and (ii) 1 st quarter after exit to 3 rd quarter after exit.	<p>Numerator 1: Participants' earnings 1st quarter after program exit minus participant's earnings 2 quarters prior to registration. Numerator 2: Participants' earnings 3rd quarter after program exit minus participant's earnings 1st quarter after program exit. [5]</p> <p>Denominator 1: Participants' earnings 2 quarters prior to registration. Denominator 2: Participants' earnings 1st quarter after program exit. [6]</p>	UI Wage Records	All agencies will move toward using UI Wage Records. However, agencies currently using survey data will measure earnings change at one point only (either pre-enrollment to 1st quarter after placement or 1st to 3rd quarter) until they adopt UI wage records as their data.
Efficiency	Annual cost per participant.	<p>Numerator: Appropriation level. [7]</p> <p>Denominator: Number of participants. [8]</p>	Administrative records	Federal resources: both mandatory and discretionary. Budget authority will be used for discretionary programs. Outlays will be used for mandatory programs.

** - See attached Common Measures for Job Training--Program List

Measures	Definition	Methodology	Data Set	Comment
		Youth and Lifelong Learning Programs		
Placement in Employment or Education	Entered employment or enrolled in education and/or training 1 st quarter after program exit.	<p>Numerator: Of those who are not in education or employed at registration, the number of participants who have entered employment, the military or enrolled in postsecondary education and/or advanced training/occupation skills training by the end of the 1st quarter after exit. [9]</p> <p>Denominator: Of those who are not in education or employed at registration, the number of participants who exit during the quarter.</p>	Administrative records and UI Wage Records	
Attainment of a Degree or Certificate by Participants	Percentage of participants that earned a diploma, GED or certificate.	<p>Numerator: Of those who are enrolled in education, the number of participants who attain a diploma, GED or certificate. [10]</p> <p>Denominator: Those who are enrolled in education.</p>	Administrative records	Certificate is defined as a credential awarded by an agency, educational institution, organization or association to an individual upon completion of an organized program of study in recognition of the individual's attainment of industry-recognized, nationally-validated technical or occupational skill standards. Such skill attainment is measured using a valid and reliable assessment.
Literacy and Numeracy Gains	Attainment of literacy and numeracy skills by participants.	Measures the increase in literacy and numeracy skills of participants through a common assessment tool administered at program registration and regular intervals thereafter.	Standard assessment instrument	This measure applies to all participants in youth programs with the exception of ED's Vocational Education, Secondary students. Also, for English as a Second Language students, this measure includes English.
Efficiency	Annual cost per participant.	<p>Numerator: Appropriation level.</p> <p>Denominator: Number of participants.</p>	Administrative records	Federal resources: both mandatory and discretionary. Budget authority will be used for discretionary programs. Outlays will be used for mandatory programs.

Footnotes:

[1] For the TANF program, the Entered Employment numerator is "Of those who receive TANF cash assistance in a quarter, the number who became employed in that quarter after being unemployed in the previous quarter."

[2] For the TANF program, the Entered Employment denominator is "The total number of unemployed TANF cash assistance recipients from the "previous quarter" identified in the numerator."

[3] For the TANF program, the Retention in Employment numerator is "Of those who received TANF cash assistance and are employed in a quarter (Q-a), the number of adults who were employed one (Q-b) and two quarters (Q-c) later (regardless of TANF assistance status)."

[4] For the TANF program, the Retention in Employment denominator is "The number of participants employed in Q-a."

[5] For the TANF program, Earnings Increase Numerator 1 is "For those who received TANF cash assistance and who had earnings from employment in Q-a, their earnings in Q-a minus their earnings two quarters prior to being determined eligible for TANF cash assistance." Earnings Increase Numerator 2 is "For those who received TANF cash assistance and who had earnings from employment in Q-a, their earnings in Q-c minus their earnings in Q-a."

[6] For the TANF program, Earnings Increase Denominator 1 is "TANF cash assistance recipients' earnings two quarters prior to being determined eligible for TANF cash assistance." Earnings Increase Denominator 2 is "TANF cash assistance recipients' earnings in Q-a. "

[7] For the TANF program, the Efficiency numerator is "Total federal TANF and State Maintenance of Effort expenditures, as reported by the states, on work-related activities/expenses, transportation, and a proportional amount on administration and systems."

[8] For the TANF program, the Efficiency denominator is "Number of adults receiving TANF."

[9] "Not in Education" includes those participants who have completed high school or its equivalent and have not yet entered post-secondary education.

[10] In the case of DOL programs, attainment of a degree/certificate will be determined within the one-year follow-up period that exists for those programs. In the case of ED programs, the completion rates for secondary and postsecondary vocational education are calculated by each State using a methodology and time period it determines.

General Notes:

A. The Adult Ed program includes participants with both employment and educational outcomes. As a result, the program will be measured under the Adult measures; however, the Department may opt to use the "Attainment" and "Literacy/Numeracy" measures from the Lifelong Learning measures in addition.

B. The Voc ED program for Post-Sec. students includes participants with both employment and educational outcomes. As a result, the program will be measured under the Adult measures; however, the Department may opt to use the "Attainment" measure from the Lifelong Learning measures in addition.

C. VA's Voc. Rehab. Program follows-up on cases for 60 days after placement before closing the case and declaring rehabilitated status. To be consistent with other programs in the job training common measures, VA will use the date of employment as the program exit point.

D. Education's VocRehab: an employment outcome is defined as competitive employment (at least the minimum wage) in the integrated labor market, and other outcomes as determined by the secretary, which include homemakers/unpaid family workers.

E. Tribal programs will move toward use of UI wage records. In the mean time, there may be some reliance on administrative records as tribes make the shift to UI wage records.

F. Where UI Wage Records are cited as the data set, UI records are either the sole source of data or the source against which administrative records must be verified.

G. All programs will need to use a unique client identifier that can calculate the unduplicated count of program participation but it will not specify what that identifier is.

Common Measures for Job Training--Program List

DEPARTMENT OF LABOR (17):

Adults

- Dislocated Workers
- Adult Employment and Training
- Trade Adjustment Assistance
- NAFTA Transitional Adjustment Assistance (TAA)
- Employment Service
- Native American Employment and Training
- Community Service Employment for Older Americans
- Migrant and Seasonal Farmworkers
- H-1B Technical Skills Training
- Programs for Veterans (4):
 - Veterans Workforce Investment Program
 - Disabled Veterans Outreach Program
 - Local Veterans Employment Representatives
 - Homeless Veterans

Youth and Lifelong Learning

- Youth Activities
- Job Corps
- Youth Opportunity Grants
- Responsible Reintegration of Youthful Offenders

DEPARTMENT OF EDUCATION (10):

Adults

- Adult Education
- Vocational Education (3):
 - Basic Grants
 - Tribally Controlled Post-Secondary Vocational and Technical Institutions
 - Tech-Prep Education
- Rehabilitation Services (5):
 - Vocational Rehabilitation Grants to States
 - American Indian Vocational Rehabilitation Services
 - Supported Employment State Grants
 - Projects with Industry
 - Migrant and Seasonal Farmworkers

Youth and Lifelong Learning

- State Grants for Incarcerated Youth Offenders

DEPARTMENT OF HEALTH AND HUMAN SERVICES (1):

- Temporary Assistance to Needy Families

DEPARTMENT OF VETERANS AFFAIRS (1):

- Vocational Rehabilitation and Employment services and benefits

DEPARTMENT OF THE INTERIOR (1):

- Job Placement and Training

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (1):

- Youthbuild

**California Workforce Investment Board (CalWIB) Staff
Issues with Proposed OMB/DOL Common Performance Measures
March 2003**

I. VARIOUS PROGRAM INPUT: The federal OMB has not allowed sufficient time for input from all of the affected programs. Without more comprehensive input and dialogue from affected programs, consistent and relevant performance measurement cannot occur. The CalWIB's Performance Based Accountability (PBA) Committee has over seven years experience developing and reporting common performance measures across workforce programs. The California PBA System develops and publishes annually a report card for most publicly funded workforce preparation programs, including workforce, labor exchange, social services, rehabilitation, incumbent workers and adult and vocational education. This experience reveals that significant coordination and communication among programs must occur to develop common definitions and measures relevant to performance based management.

- **Suggested Resolution:** The CalWIB, in partnership with the EDD, will gather more comprehensive program partner input on the proposed common measures via it's PBA Committee and collaborative working relationships, including formal workgroups with the various programs affected by these measures.

II. DATA COLLECTION IMPEDIMENTS

- DOL Guidance is needed to resolve the following impediments:

A. Structural Impediments: The restriction against the use of supplemental data will prevent the capture of data on participants who become employed in sectors not reported through the Unemployment Insurance (UI) wage database. In California, many of those who would be found in federal employment (i.e., civilian federal service such as the postal service and the military) and California-based entrepreneurial and self-employment could be captured if the use of supplemental data were allowed.

- **Suggested Resolution:** Develop a (numerical/percentage) factor representing workers involved in each non-UI covered employment sector for each state, and apply to each measure, as appropriate, to account for those participants not likely to be reported in the UI database. Suggest that matches with Office of Personnel Management, United States Postal Service and Department of Defense be allowed to capture non-UI based employment and supplemental data to capture self-employed participants, including data currently available through the census and California State Labor Market Information System.

B. Statutory Impediments:

- 1) **Existing Program Statute:** Federal and state laws pertaining to each of the multiple programs that would be required to implement the proposed common performance measures would need to be amended to authorize the collection of necessary data.
 - **Suggested Resolution:** Allow phased implementation to account for statutory amendments in addition to flexibility in defining numerators and denominators.
- 2) **Continuous Improvement:** California pre-dates the 1998 WIA provisions in its interest in "assess(ing) the effectiveness of State and local areas in achieving

continuous improvement of workforce investment activities” through the passage of state legislation (Senate Bill 645) in 1995, and the development of a performance-based accountability system that incorporates the provision of information to participating programs for the express purpose of improving instruction/training and other program services. Indeed, the provision of “continuous *instructional* improvement” through the California Performance Based Accountability System is a cornerstone principle by which the postsecondary educational sectors in the state justify their participation in and cooperation with California’s workforce performance assessment system, in addition to their state and federal educational program accountability responsibilities. Given the State’s interest in this regard, the importance of “continuous improvement” to California’s workforce development “system” should not be diminished, as implied throughout the proposed Common Measures by their focus solely on immediate impacts of program participation on participants.

- **Suggested resolution:** Allow for qualitative reporting that includes states’ efforts to “improve instruction/activities/services/outcomes” in each state’s overall compliance with the proposed Common Measures. Allowing supplemental and more locally driven and program specific performance management data in addition to flexibility in defining the numerator and denominators in the common measures would be more relevant to continuous improvement.

- 3) **Federal Education Rights to Privacy Act (FERPA) Impediments:** In California, the employment and education systems are separate entities whose jurisdictions and governance structures are statutorily independent of each other. As a result, the participation of the state’s education entities in its state-level workforce performance assessment process has been tenuous. Although, in recent years, the state’s employment and education entities have exerted great effort to craft a meaningful assessment system, use of education records has been contingent on the express purpose of “improving instruction” within the educational programs that provide the education/training, as allowed by FERPA. The proposed Common Measures, however, are silent with regard to the “continuous improvement” principle. Given the U.S. Department of Education’s (USDOE) recent (February 2003) Guidance reaffirming the continued restricted use of education data, California’s ability to calculate participant outcomes, much less assess workforce program performance – especially with regard to Youth-related measures – using education data, continues to be jeopardized.

- **Suggested Resolution:** OMB should develop guidance with input from USDOE and USDOL regarding how state and local level programs are to implement the proposed Common Measures, given the FERPA restrictions.

- C. **Administrative Impediments:** Various programs and related administrative and data collection systems have undertaken major strides to implement the WIA of 1998 and related changes in performance reporting. Requiring implementation to start during Program Year 2003 – 2004 places unrealistic administrative and data collection burdens on these programs, especially in conjunction with reduced funding allocations. Certain programs or entities do not have sufficient management information systems (MIS) in place to realize the data collection for the proposed common measures. For example,

some entities currently provide only sample-based participant records and would need sufficient time and resources to collect and report data as required by these measures.

- **Suggested Resolution:** Provide additional federal funding to secure the necessary MIS to support data collection and allow flexibility on use of participant samples.

III. EFFICIENCY MEASURE:

The measure as currently defined does not measure efficiency. As currently worded, this should not be used as an efficiency measure when it barely resembles a cost per participant measure. “Efficiency” needs to be defined in addition to more relevant and standardized definitions of who is counted and how. For example, if the numerator contains registered participants only, then many service users and resources allocated to serving non-registered participants would not be included, thereby missing information essential to any performance and budget based management.

Unintended Consequences -

- The proposed efficiency measure might steer investment away from universal services, as non-registered participants are not included in the measure.
- Would the provision of more costly services to clients with substantial barriers to employment be adjusted in this measure? Disincentives to serving high barrier participants might result.

Additional questions –

- How would we capture expenditures on, and “efficiency” in, serving employers and business clients?
- Clarification is needed on how federal and state matched or non-federal monies for those programs would be delineated. Are state match or non-federal funds included in this measure, or is the measure limited to federal funds?

IV. IMPLEMENTATION COSTS and FUNDING:

Acknowledging the different accountability systems currently existent throughout the states and various programs, individual state implementation of the proposed Common Measures will present a variety of costs and funding resource considerations not shared equally among all states, or among various programs within a state. Some programs have existing accountability systems whose measures differ from the proposed common measures; and some are faced with fiscal resource restrictions of greater degrees of severity than others. Thus, states and programs within states will have an uneven burden of implementation/transition impediments and costs and compliance are likely to be inconsistent for a time. If non-registered participants were to be included, how feasible is it for local areas and states to convert MIS and tracking systems for such extensive data collection?

- **Suggested resolution:** Additional funding to facilitate transition should be provided to the states, based on states’ estimates of transition activities and timelines required for implementation.

Finally, implementing these measures for Program Year 2003-2004 for use only at the national level leads to significantly inaccurate and inconsistent information upon which to assess program performance and funding allocations. This issue is especially relevant as affected programs are currently managing and planning service delivery based upon their various existing, and different, performance measures, standards and populations.

Approval of the Fourth Annual PBA Report

Approval of the Fourth Annual PBA Report

Performance accountability information has been conveyed through a series of annual reports on California's workforce development programs, providing data for policy development, program improvement, and resource allocation purposes. PBA staff, the PBA contractor Cheryl Stecher of Franklin Hill, PBA Technical Work Team program representatives and a national PBA Peer Review Panel headed by Dr. Rick Moore have worked together to produce the Fourth Annual PBA Report for California's Workforce Development Programs. PBA Committee Member feedback for the report to be brief, consistent, and easy to read and in a user-friendly format has also been incorporated into the Year Four Report to produce a tiered approach as follows:

- Tier 1 - the Executive Summary, which includes Key Findings;
- Tier 2 - the Statewide Annual Report (Standardized Report), which includes analysis and all measures across all programs;
- Tier 3 - the Program Chapters that include outcomes for participants from each program aggregated separately in a program-by-program analysis including longitudinal data and outcomes and analysis, which have been customized to each program's particular target populations and goals; and
- Tier 4 - the Standard Tables, which will be detailed and made available to programs on the Internet.

Attached are the Executive Summary from the report and a memo from the PBA Peer Review Panel that contains recommendations, most of which were made in coordination with the PBA Technical Work Team while considering the PBA Committee member recommendations. A panel will provide an overview of the report writing and review process and ask for PBA Committee Members to approve the release of this report.

This fourth annual report provides program outcome data for individuals who completed or terminated training or services between July 1, 1998 and June 30, 1999 (referred to as the 1998-99 cohort).

The workforce preparation programs participating in the PBA system this year included:

- Job Training Partnership Act (JTPA) programs, administered by the Employment Development Department (EDD) with funding from Titles II and III of the federal JTPA (now replaced with the Workforce Investment Act of 1998).
- Job Service programs administered by EDD, funded by the federal Wagner Peyser Act;
- California Training Benefits (CTB) administered by EDD under authorization from the California Unemployment Insurance Code;
- Employment Training Panel (ETP) programs, funded by the California Employment Training Fund;
- Vocational rehabilitation programs administered by the Department of Rehabilitation, authorized by the Rehabilitation Act of 1973;

- California Work Opportunity and Responsibility to Kids (CalWORKS) Welfare-to-Work programs, administered by the Department of Social Services with partial funding from the federal Temporary Assistance to Needy Families (TANF);
- Vocational programs offered by the California Community Colleges and the California Department of Education (CDE), with funding from the federal Carl D. Perkins Vocational Education Act; and,
- Regional Occupational Centers/Programs (ROCPs), adult education programs, basic vocational rehabilitation services, and career technical education programs administered by the CDE as authorized by the California Education Code.

Through planned system enhancements over the next few years, future reports are envisioned to meet the additional needs of customers, including:

- Providing more current information that points customers and the general public toward successful employment and training programs and opportunities within California; and
- Identifying standards necessary to meet employers desire for an educated and trained workforce.

Attachments:

1. Executive Summary
2. PBA Peer Review Panel Memo

EXECUTIVE SUMMARY

The Performance Based Accountability (PBA) system is California's approach to assessing the performance of publicly funded workforce preparation programs. On an annual basis, the PBA system examines the employment, earnings, unemployment insurance and reliance on public assistance of individuals who have completed or participated in workforce preparation programs sponsored by the:

- California Employment Development Department;
- California Employment Training Panel;
- California Department of Rehabilitation;
- California Department of Social Services;
- Chancellor's Office of the California Community Colleges; and
- California Department of Education.

This report examines the outcomes of participants in workforce preparation programs in 1998-99, as well as the long-term outcomes of individuals who participated in 1997-98 and 1996-97.

KEY FINDINGS

The State's workforce preparation programs:

- ***Reduced Unemployment:*** Over half of all participants the State's workforce preparation programs were found employed in the first year after program participation. Of those employed, the majority in almost all programs was employed for the entire year.
- ***Increased Earnings:*** There was an increase in earnings for participants in almost all programs during the three-year period after program participation.
- ***Reduced Reliance on Unemployment Insurance (UI):*** The percent of workforce preparation program participants receiving UI declined from the year before to the year after program participation.
- ***Reduced Reliance on Public Assistance:*** The number of months for which program participants received CalWORKs welfare, or Supplemental Security Income/State Supplemental Payments (disability) assistance, declined from the year before to the year after program participation.
- ***Increased Employment Rates for Completers:*** Participants who met a program's definition of completion ("completers") had higher employment rates, and a lower percentage received UI, than those who left that program prior to completion ("leavers").

This Statewide Annual Report provides an overview of each performance measure for each workforce preparation program. Further detail on outcomes is provided in the separate chapters for each program and the Technical Appendix. The complete report and detailed tables of all outcome measures are available on the CWIB website at: www.calwia.org/pba/pba_main.html.

Richard W. Moore, Ph.D.
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May 20, 2003

M E M O R A N D U M

To: Performance Based Accountability Committee
From: Richard W. Moore
Re: Summary of Peer Review Team's Review of Year 4 Reports

This memo presents a summary of the review of the Year 4 PBA reports by the Peer Review team.

Procedure

Four reviewers chosen for their expertise and independence were selected to conduct the review. The reviewers were:

Richard W. Moore, Professor of Management, California State University
Northridge.
(Employment Training Panel and Department of Education)

Duane Whitfield, Executive Director, Florida Education and Training Placement
Information Program (FETPIP)
(Community Colleges and Job Training Partnership Act)

Barry Goff, President, Charter Oak Group
(Department of Rehabilitation and CalWORKS)

Daniel R. Blake, Professor of Economics, California State University Northridge.
(California Training Benefits and Job Employment Service)

Each team member was provided two specific agency reports to review in detail (assignments noted above) and all reviewers reviewed the new "Summary Chapter" which contains data on all agencies.

Overall Recommendation

The Peer Review Team recommends that this year's PBA report be released to the public.

Year 4 Report Improvements Noted by Peer Reviewers

The team noted a number of substantial improvements this year as compared to previous reports and would like to commend the most outstanding features.

- Addition of Statewide Annual Report chapter, with across agency comparisons.

The team viewed this as the most significant single improvement to the system since PBA's inception. The opportunity for the reader to get basic performance data on every program in a single, clearly written chapter is a significant improvement, which the team believes will attract more users to the system. The team recommends the publicity efforts for this year's report focus on this chapter.

- Improved analysis in summary chapters.

In the summary chapter for each agency the team noted more depth of analysis and more clarity in the presentation of the results, which added significantly to the value of the reports on individual agencies.

- Improved graphics.

The team noted that the graphing of the data was much clearer and more complete. It particularly noted the figures in the "Summary Chapter" which showed before and after earnings for multiple groups across programs, on a single figure, as valuable data displays.

- Use of summary boxes.

The use of summary text boxes in each chapter helped focus the analysis, reduce complexity and point the reader towards key findings.

- Use of longitudinal data to add value.

The reviewers found significant value in the ability of PBA to track cohorts of participants over time within a program. The team recommends that PBA consider tracking cohorts over five years rather than the planned three.

Recommended Changes to the Year 4 Reports

The attached matrix provides the team's detailed critique of the reports. Below we identify the significant issues raised by the team, along with their recommended resolution.

Issue 1: Report focuses on year after training earnings rather than change in earnings.

Training is a change agent, so the reports should focus on the “change in earnings” in the individual chapters and summary chapter, rather than the year after training earnings.

Recommendation: Leave the graphs as they are, but change the text, particularly in boxes and bullet points to focus on change in earnings.

Issue 2: More methods detail needed in individual chapters.

A reader just reading a single program chapter would not have the background information on measures and methods to interpret results. The team believes each chapter should be able to “stand alone”.

Recommendation: Use footnotes the first time “strong” and “weak” earnings appear to offer a definition, and add footnote on how earnings are adjusted for inflation.

Issue 3: To understand each program, more descriptive information is needed in chapter introductions.

Readers need a brief description of each program early in each chapter, which includes the goals of the program, what types of services are typically provided, and the characteristics of typical participants (such as age, level of education, employment status). In addition, for agencies (such as Community Colleges and CalWORKS) that only include a subset of participants in the system, a clear description of who is and is not included in the PBA systems should be available in the chapter introduction.

Recommendation: Have agency provide one or two paragraph descriptions of programs and participants. Clearly describe situations where the PBA population is a subset of the larger population.

Chapter Recommendation

The team had some recommendations specific to each chapter that are not mentioned in the overall recommendations above.

Summary Chapter

The breakdown by gender and ethnicity in summary chapter should remain in tables in an appendix. The team suggests changing the graphs to tables because the graphs tend to call attention to non-significant trends in the data without text to interpret them.

Department of Education
Training Benefits
CalWorks
Community Colleges

No substantial changes

Job Employment Service:

Figure 6.1 – look at 98-99 cohort; in all measures they are different. Check this data.

JTPA

Add to text the fact that it doesn't exist anymore and has been replaced by WIA.

Department of Rehabilitation

Add discussion to text about the types of disabilities, and how these may relate to program outcomes.

Employment Training Panel

Need a clear description that the required 90-day retention period is "inside" training and not part of the follow-up year for PBA.

Recommended Changes for Future Years

The team has a number of recommendations for improving the reports in future years. Again some recommendations cut across all the chapters and some are specific to individual agencies. I begin with the general recommendations then add those specific to agencies.

1. Calculating change in earning for 16 different groups with overlapping members does not provide a clear sense of the impact of the programs. The team recommends that the PBA Committee review the change of earnings measures and select no more than two to report prominently (as has been done in this years "Summary Chapter"). If other measures or subgroups have value for individual programs they can be made available as "second tier" measures.
2. In general focusing on change in earnings rather than year after training measures is more meaningful as the purpose of the services studied is to improve individuals' position in the labor market. On a related issue, for displaced workers served by various programs a measure of the percent of pre-layoff earnings regained may be a better measure, than after training earnings or change in earnings.
3. Add the amount of money spent on training or other employment services to each program overview; it is critical that reader know the extent of public investment represented by each program. In the long run the reviewers recommend moving towards a cost per completer or cost per individual served measure to indicate the relative cost of each program.

4. Provide more analysis of differences between completers and leavers. It is assumed that there is a value in completing programs. If completers do not have better outcomes some additional analysis and explanation is needed.
5. In the CalWORKS chapter expand the population tracked from a sample to the entire program.
6. In the community college chapter separate out certificate and degree completers. Earlier research shows a much stronger impact on earnings for students who complete an Associates degree it is important to see if there is such a difference in this population.
7. The reviewers suggest that the PBA committee consider dropping a separate analysis of the California Training Benefits program, since participants in this program actually use UI funds to enroll in other training programs, which should be captured by the system.
8. The reviewers suggest that in the longer term the PBA consider moving the entire database into a system that uses data cube technology to allow individual users to analyze the data. These systems allow users to combine variables and “drill down” through the data to look at special populations of interest, such a women veterans, or older workers with disabilities.

Update on the PBA System Redesign

Redesign of the Performance Based Accountability (PBA) System May 2003

The redesign of California's PBA system will afford PBA partner programs increased efficiency for research and accountability purposes, by allowing each partner program direct access to the aggregated data produced by the system. In addition, the proposed redesign of the PBA System will allow the state to meet the requirements of statute and of our participating programs to produce useful, timely and relevant information for program improvement and policy development purposes.

The California Legislature has demonstrated an ongoing interest in the redesign of the PBA system, primarily during budget hearings in 2002; and in current year proposed legislation: AB 899 (Wiggins) and AB 1127 (Horton, Shirley). The Feasibility Study Report (FSR) for the redesign of the PBA System is currently in clearance process.

The principles of this project redesign are based on the Project Management Institute's (PMI) Body of Knowledge, which is the national standard for project management. The California Workforce Investment Board has hired Visionary Integration Professional, Inc. as the Project Management consultant firm to manage this project. Robin Kister is the firm's primary representative on this project. Ms. Kister has developed a detailed work plan and schedule to ensure the overall success of the Project. Additional infrastructure plans and processes have been defined and are in various stages of development (i.e., Project Management Plan, Communications Plan, Risk Management Plan, Contract Management Plan, Quality Assurance Plan and Issue Management Plan). The purpose of these plans is to develop a solid project framework for the project team, and to ensure that all processes are clearly defined and documented.

**Discussion of the California Workforce Investment Board
Strategic Plan**

Discussion of the California Workforce Investment Board Strategic Plan

Background

The State Board met in Los Angeles on February 9 and 10 to review progress on the goals set forth at their 2002 planning session, and to consider and commit to priorities of 2003. The attached document summarizes the discussions that occurred relative to each of the original goal areas, Information, Innovation, Collaboration, Performance, and Administration, as well as a newly incorporated priority recognizing the State Board's commitment to providing leadership to youth issues through California's workforce development system.

Of particular relevance to the Performance Based Accountability Committee is the Strategic Plan's Goal 4 to: *Raise the Quality of the "Field of Practice" and Performance of the Overall Workforce Development System*. Since some of the work in this goal occurs under the guidance of the PBA Committee, the PBA Committee will consider the Board's 2003-04 priorities at its May 29, 2003 meeting.

California Workforce Investment Board

2003-2004

Strategic Plan

Draft

May 2003

SUMMARY OF ACTIONS FOR 2003-2004

The California Workforce Investment Board (State Board) will deliver on the following priorities during the program year 2003-04 year:

- **Information**—*Produce new regional reports on economic and employment trends to help system partners meet changing needs in workforce development.*
- **Collaboration**—*Create and advocate a new Federal Legislative Agenda, launch a marketing campaign for the one-stop system, and strengthen relationships with employers, local Boards, and the State Legislature, forging partnerships to work for a better system.*
- **Innovation**—*Become a catalyst for innovation throughout the system by creating a new source of information about innovative practices in workforce development, formally recognizing and celebrating local and regional innovations in California, and designing a new Breakthrough Innovation Fund.*
- **Quality and Performance**—*Improve the PBA system to enhance utility and continuous improvement across workforce preparation programs statewide. Continually monitor and assess the impacts of WIA and other state and federal performance mandates on the PBA System.*
- **Administrative Excellence**—*Obtain a new Executive Order clarifying the Board's role within the new State Labor and Workforce Development Agency, and adopt new policies to clarify Board roles and responsibilities and to improve Board effectiveness.*
- **Youth**—*Create a comprehensive Youth Plan, encourage local youth councils to adopt "All Youth—One System", and become a statewide resource and database for youth.*

INTRODUCTION

This document is the Strategic Plan for the California Workforce Investment Board (State Board) for the fiscal year 2003-2004. The Plan has been updated and revised to reflect the many changing economic and policy conditions of the past year. Its purpose is to provide a clear roadmap for the focus and actions of the State Board and staff in the coming year. It is intended to result in clear, measurable outcomes that will provide value to the many customers and beneficiaries of the workforce development system.

The 2003-2004 Plan identifies the high level priorities that will shape the State Board's work plan over the coming year. These priorities were identified during the State Board's second annual Strategic Planning Seminar held in February 2003 at the University of California Los Angeles (UCLA), and were further refined by the State

Board's Planning Team, staff, and partners. The action priorities for 2003-2004 will be carried out within the framework of the Strategic Plan's original five goals, which were validated by the State Board members at the UCLA seminar. A sixth goal was added to reflect the importance of youth activities and the role of the State Youth Council.

See www.calwia.org for a copy of the California Workforce Investment Board 2002-2003 Strategic Plan and a full description of the background on the development of last year's plan.

BACKGROUND

The State Board's 2003 Strategic Planning Seminar took place at a very challenging time. While the State Board had taken several important steps in meeting the strategic goals and priorities adopted in May 2002, it is faced with new realities that will shape the work in the coming year. These new realities – both economic and governmental – include a national economic slowdown, a war, a state budget crisis, the reauthorization of the Workforce Investment Act in July 2003, proposed federal cuts in the State's allocation of Workforce Investment Act funds for 2003-2004, the creation of the State Labor and Workforce Development Agency, and the launching by the Governor of several Jobs Initiatives.

Given these realities, the State Board acknowledges that its work must bring the highest value and most effective use of resources for its customers and communities. At the UCLA Seminar, the State Board heard from national workforce development experts that its Plan is very creative and that it captures the key areas that workforce policy should be addressing.

However, the State Board needs to bring greater clarity to its focus, and where it will strive for the greatest value-added. There are a large number of ongoing activities that constitute the work of the State Board and staff - and many of these will continue because they are required for the State Board to fulfill its designated oversight and policy roles. The State Board was urged to separate out and handle more efficiently the "ministerial" functions associated with WIA compliance and other systems oversight responsibilities, and to identify a few core, high priority issues on which the State Board can create a clear path for action and achieve significant outcomes.

As with last year's Strategic Plan, this approach recognizes that the State Board's role is not to deliver services or manage agencies. Rather, it is to use its influence and leverage through its policy role to help define the broader goals of the overall system in achieving success, to work with its partners to achieve this success, and hold all parties – itself included – accountable for achieving success.

VISION AND MISSION FOR WORKFORCE DEVELOPMENT AND INVESTMENT

The California Workforce Investment Board adopted the following Vision Statement in December 2000:

“In order to achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life for all Californians, California shall have a comprehensive workforce development system of education and workforce preparation linked to economic development that sets the standard for the nation and the world.”

At the February 2002 Strategic Planning Seminar, the State Board elaborated on this vision by identifying its aspiration for success of the overall workforce development system five years from now. Aspirations included the role of workforce development and investment as a central means to increase widely-shared economic opportunity, to decrease poverty and income inequality, and to prepare a world-class labor force essential for innovation, competitiveness, and the leadership position of the California economy.

These aspirations are far broader than WIA program impacts. They reflect the commitment of the State Board that the State’s workforce development resources, policies and activities have the greatest possible return on investment, and that the State Board has a leadership role in making this happen. This commitment continues in the Strategic Plan for 2003-2004, affirming its mission:

“To provide strong leadership in achieving the success of the overall workforce development system, for the benefit of all California – its people, businesses and communities.”

STRATEGIC GOALS FOR 2003-2004

The ongoing success of California's workforce development system depends on the quality of its inputs, operations, and outcomes. The State Board will improve the quality in each of these areas by making clear and measurable progress toward achieving six high-priority goals. Each goal area has a Board Leader, and the leaders will work as a team with the State Board's Chair and Co-Chair to organize State Board activities and oversee staff activities to ensure linkage and integration of the individual goals to achieve the overall priorities of the State Board.

The six goals of the State Board's Plan for 2003-2004 are:

- 1. To ensure that all partners have the most timely, relevant information about changing workforce needs and investment opportunities.*
- 2. To be an effective partner and advocate, and bring system partners together.*
- 3. To create, nurture and reward a culture of innovation.*
- 4. To raise the quality of the "Field of Practice" and performance of the overall workforce development system.*
- 5. To ensure administrative excellence, including compliance with WIA requirements, to support achievement of all strategic goals.*
- 6. To provide leadership on Youth Issues.*

STRATEGIC PLAN PRIORITIES FOR 2003-2004

To achieve these goals, the State Board's Chair, Co-Chair, Goal Area Leaders, consultants and staff refined and clarified the input from the February 2003 Strategic Planning Seminar, which has been integrated with the ongoing work of the State Board. The resulting high level priorities for the State Board's 2003-2004 Work Plan will be reviewed by all Board members at the May 21 Board meeting, and after discussion and revision, will be adopted for implementation in the coming year.

Goal # 1 – Information - Insure the most timely, relevant information about changing workforce needs and investment opportunities. Goal Area Leader: Kathleen Milnes

The Board will address this goal by working through the State Board's Council of Economic Advisors and the California Regional Economies Project (a Department of Technology, Trade and Commerce project funded by the State Board through an interagency agreement) to:

- *Deliver regional reports on economic and employment trends.* Includes developing and widely disseminating timely and new regional economic information and products (economic base analyses, cluster studies, monographs, current research) to the State Board, the Economic Strategy Panel, the Governor, local Workforce Investment Boards and partners, employers, State Agency partners, the Legislature and others.
- *Create new mechanisms and processes to engage regional leaders in the workforce field.* These include assisting local WIBs, employers and employer organizations, economic development organizations, K-12 and all segments of the higher education system, and other regional civic organizations in understanding economic and workforce data, analyzing the implications of that data for local and regional workforce and economic policies and programs, and providing "bottoms-up" guidance to the State Board on state workforce policies and programs.

Other Objectives:

- Identify and compare 15% projects involving research and data collection, and how to best use/link to other work within this goal area
- Work with the Labor Market Information Division (LMID) and the Labor and Workforce Development Agency to integrate EDD and DIR data and to produce more useful labor market information products
- Improve access to LMID and related data

Goal #2 – Collaboration – Be an effective partner and advocate, and bring system partners together. Goal Area Leader: Scott Hauge

The Board's priorities related to this goal include: Taking a leadership role regarding workforce policy and legislation; Strengthening employer services; Marketing One-Stops and the One-Stop system; and Building stronger relationships with Local Boards and the private sector. Priority actions to advance this goal include:

- *Create and advocate a Federal Legislative Agenda for WIA Reauthorization and proposed 2003-2004 WIA funding allocations, working with system partners.*
- *Launch a marketing campaign for the One-Stop System.*
- *Define priority employer services, do outreach to system users, and develop an employer services performance measure.*
- *Strengthen the relationship with local Board chairs and employer participation.*
- *Develop and implement an outreach, accountability and partnership strategy with the State Legislature.*

Other Objectives:

- Update and modify the State's Five Year Workforce Investment Plan within the context of impending changes from the WIA Reauthorization process
- Lay the groundwork for comprehensive workforce system planning in the next program year

Goal #3 – Innovation – Create, nurture, and reward a culture of innovation. Goal Area Leader: Warren Jackson

This area had a work group last year that developed a foundation for this year's work, which is proposed as a two-year process. An Innovation Officer has been appointed to assist the Board in this goal area. Priority actions are:

- *Become a new source of information about innovative practices.* Research, gather information including from outreach to local Boards, partners and other areas, and disseminate information on innovation and promising practices – including web-based.
- *Recognize innovative practices in California.* Develop opportunities for recognizing effective innovations and promising practices, including activities and events.
- *Design a "Breakthrough" Innovation Fund,* including the framework for criteria and operations, which could be implemented in the following program year (2004-2005). The Fund could be a focus for the 15% funds, for "breakthrough" projects.

Other Objectives:

- Conduct review of 15% projects to identify innovations and promising practices
- Help leverage other funds (e.g., philanthropic resources) to support innovation in the field

Goal #4 – Quality and Performance – Raise the Quality of the "Field of Practice" and Performance of the Overall Workforce Development System. Goal Area Leader: Victor Franco

Some of the work in this goal occurs under the guidance of the Performance Based Accountability (PBA) Committee. Work is being broadened and priorities in this area are:

- *Support Performance Excellence.* Improve access to and utility of the PBA System for increased accountability and program improvement. Continually monitor and assess the impacts of WIA and other state and federal performance mandates on the PBA System. Encourage the inclusion of customer satisfaction measures in the One-Stop System.
- *Enhance partnerships with workforce preparation programs, departments and agencies as valued stakeholders in the PBA System.*
- *Become a data and information clearinghouse for workforce preparation program performance measurement.*

Other Objectives:

- Publish and disseminate the Fourth Annual PBA Report
- Conduct WIA System Evaluation
- Develop One Stop Certification Recommendations

Goal #5 – Administrative Excellence – Ensure administrative excellence, including compliance with WIA requirements, to support achievement of all goals. Goal Area Leader: Art Pulaski

This area encompasses several issues that relate to the Board's roles, functions and operations, some of which are priority actions the Board's Strategic Planning Group will work on together, guided by the Goal Area Leaders and Board staff. Priorities are:

- *Obtain a new Executive Order to clarify the Board's role* and achieve alignment within the Labor and Workforce Development Agency, resolving Board organizational structure issues, including Bylaw revision; complete Protocols on Roles and Responsibilities and submit report to the Legislature.
- *Adopt new policies to improve Board effectiveness.* Create an Ad Hoc Committee to assist the Board with a Business Plan to deal with issues such as: Policy role, Board Composition, Engagement, Participation Requirements, Consent Calendar, etc.

Other Objectives:

- Develop Administrative Calendar for WIA compliance and related tasks
- Develop a Matrix of Accomplishments to assist the Board in tracking the progress regarding implementation of the Strategic Plan
- Schedule and implement the 2004-2005 Board Planning Seminar

Goal #6 – Youth - Leadership on Youth Issues. Goal Area Leader: Ken Burt

This goal was added at the February 2003 Strategic Planning Seminar, to acknowledge and integrate the work of the State Youth Council with the overall work of the State Board. Priorities include:

- *Create a comprehensive Youth Plan for the State.*
- *Provide capacity for the local youth councils to implement "All Youth – One System" framework.*
- *Establish the Youth Voice Network.*

Other Objectives:

- Develop a database to describe California's youth population
- Develop a statewide resource and services database for youth
- Promote youth involvement in local youth councils

CONCLUSION

Upon adoption of these priorities by the full State Board, staff will work with the Goal Area Leaders to develop specific work plans to carry out these priorities, building on the work that staff has been doing over the past few months to align existing and planned activities within the framework of the goal areas. The work will be conducted by staff, Board members and workforce partners through workgroups, committees, the Youth Council, and interagency agreements. One of the Goal Leader's role will be to engage Board members and partners in the work that relates to specific goal areas, and working as a team to ensure that work is integrated across the goal areas, as well as meeting the State Board's overall priorities.

Further Business that May Come Before the Committee